

KENE ME-WU FAMILY HEALING CENTER  
(A Nonprofit Organization)

AUDITED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2008

DATE RECEIVED:



AUDIT REVIEW #(s) 04823

Assigned To: Smart

Date Reviewed: 7/2/09

Reviewer's Initials: B

Date Review(s) Completed: 7/2/09

*David Butler, CPA and Associates*  
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Kene Me-Wu Family Healing Center

I have audited the accompanying statement of financial position of Kene Me-Wu Family Healing Center (a nonprofit organization) as of December 31, 2008, and the related statements of activities and cash flows, for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kene Me-Wu Family Healing Center as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated May 12, 2009, on my consideration of Kene Me-Wu Family Healing Center's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Kene Me-Wu Family Healing Center taken as a whole. The accompanying schedule of expenditures of OCJP awards is presented for purposes of additional analysis as required by Section 8140 of the OCJP Grantee Handbook, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Jamestown, California  
May 12, 2009

**Kene Me-Wu Family Healing Center**  
**Statement of Financial Position**  
**December 31, 2008**

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|                                  |                     |
|----------------------------------|---------------------|
| ASSETS                           |                     |
| Cash and cash equivalents        | \$ 9,066.75         |
| Grants receivable                | 27,272.00           |
| Prepaid expenses                 | <u>1,286.00</u>     |
| TOTAL ASSETS                     | <u>\$ 37,624.75</u> |
|                                  |                     |
| LIABILITIES                      |                     |
| Accounts payable                 | <u>\$2,300.72</u>   |
| TOTAL LIABILITIES                | 2,300.72            |
|                                  |                     |
| NET ASSETS                       |                     |
| Unrestricted                     | 35,324.03           |
| Temporarily restricted           | 0.00                |
| Permanently restricted           | <u>0.00</u>         |
| TOTAL NET ASSETS                 | <u>35,324.03</u>    |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$37,624.75</u>  |

See accompanying notes

**Kene Me-Wu Family Healing Center**  
**Statement of Activities**  
**Year Ended December 31, 2008**

|  | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total               |
|--|---------------------|---------------------------|---------------------------|---------------------|
| <b>REVENUES, GAINS AND OTHER SUPPORT</b>           |                     |                           |                           |                     |
| Contributions                                      |                     |                           |                           |                     |
| OCJP-DV  | \$ 159,746.00       | \$0.00                    | \$0.00                    | \$ 159,746.00       |
| Fundraising  | 3,750.00            | 0.00                      | 0.00                      | 3,750.00            |
| Blue shield grant                                  | 5,000.00            | 0.00                      | 0.00                      | 5,000.00            |
| Miscellaneous                                      | 2,555.00            | 0.00                      | 0.00                      | 2,555.00            |
| Interest earned                                    | 1,239.56            | 0.00                      | 0.00                      | 1,239.56            |
| <b>TOTAL REVENUES, GAINS AND<br/>OTHER SUPPORT</b> | <b>172,290.56</b>   | <b>0.00</b>               | <b>0.00</b>               | <b>172,290.56</b>   |
| <b>EXPENSES</b>                                    |                     |                           |                           |                     |
| Program services                                   |                     |                           |                           |                     |
| Advertising  | 30.00               | 0.00                      | 0.00                      | 30.00               |
| Answering service                                  | 1,028.92            | 0.00                      | 0.00                      | 1,028.92            |
| Telephone  | 5,961.49            | 0.00                      | 0.00                      | 5,961.49            |
| Victim assistance                                  | 1,038.97            | 0.00                      | 0.00                      | 1,038.97            |
| Supporting services                                |                     |                           |                           |                     |
| Accounting   | 2,000.00            | 0.00                      | 0.00                      | 2,000.00            |
| Bank fees  | 450.00              | 0.00                      | 0.00                      | 450.00              |
| Computer expense                                   | 1,269.39            | 0.00                      | 0.00                      | 1,269.39            |
| Employee benefits                                  | 6,195.45            | 0.00                      | 0.00                      | 6,195.45            |
| Insurance  | 4,024.00            | 0.00                      | 0.00                      | 4,024.00            |
| Interest   | 161.99              | 0.00                      | 0.00                      | 161.99              |
| Mileage  | 7,743.20            | 0.00                      | 0.00                      | 7,743.20            |
| Miscellaneous                                      | 4,845.95            | 0.00                      | 0.00                      | 4,845.95            |
| Office expense                                     | 3,677.49            | 0.00                      | 0.00                      | 3,677.49            |
| Outreach   | 1,245.87            | 0.00                      | 0.00                      | 1,245.87            |
| Rent   | 6,000.00            | 0.00                      | 0.00                      | 6,000.00            |
| Postage  | 214.00              | 0.00                      | 0.00                      | 214.00              |
| Salaries and wages                                 | 108,518.53          | 0.00                      | 0.00                      | 108,518.53          |
| Taxes  | 9,785.62            | 0.00                      | 0.00                      | 9,785.62            |
| Training   | 6,097.72            | 0.00                      | 0.00                      | 6,097.72            |
| Utilities  | 1,452.26            | 0.00                      | 0.00                      | 1,452.26            |
| <b>TOTAL EXPENSES</b>                              | <b>171,740.85</b>   | <b>0.00</b>               | <b>0.00</b>               | <b>171,740.85</b>   |
| <b>CHANGE IN NET ASSETS</b>                        | <b>549.71</b>       | <b>0.00</b>               | <b>0.00</b>               | <b>549.71</b>       |
| <b>NET ASSETS BEGINNING OF YEAR</b>                | <b>34,774.32</b>    | <b>0.00</b>               | <b>0.00</b>               | <b>34,774.32</b>    |
| <b>NET ASSETS AT END OF YEAR</b>                   | <b>\$ 35,324.03</b> | <b>\$0.00</b>             | <b>\$0.00</b>             | <b>\$ 35,324.03</b> |

See accompanying notes

Kene Me-Wu Family Healing Center  
Statement of Cash Flows  
Year Ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Increase(Decrease) in net assets \$549.71

Adjustments to reconcile increase (decrease)  
in net assets to net cash provided by  
operating activities:

(Increase) decrease in operating assets

|                   |               |
|-------------------|---------------|
| Grants receivable | 11,733.00     |
| Deposits          | (761.00)      |
| Accounts payable  | <u>293.20</u> |

NET CASH PROVIDED BY OPERATING ACTIVITIES 11,814.91

CASH FLOWS FROM FINANCING ACTIVITIES

Increase (decrease) in line of credit (5,000.00)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 6,814.91

BEGINNING CASH AND CASH EQUIVALENTS 2,251.84

ENDING CASH AND CASH EQUIVALENTS \$9,066.75

During the year \$161.99 of interest was charged to expense.

See accompanying notes

**Schedule of OCJP Expenditures  
For Year Ended December 31, 2008**

|                   | 2008 Audit<br>Grant #AI07101570<br>10/07-11/08 | 2008 Audit<br>Grant #AI08111570<br>10/08-09/09 | Total               |
|-------------------|--|--|---------------------|
| REVENUE           | \$121,271.00                                   | \$66,058.00                                    | \$187,329.00        |
| EXPENSES          |  |  |                     |
| Personal Services | 79,434.22                                      | 66,058.00                                      | 145,492.22          |
| Operating Expense | 41,836.78                                      | 0.00   | 41,836.78           |
|                   | <u>\$121,271.00</u>                            | <u>\$66,058.00</u>                             | <u>\$187,329.00</u> |

See accompanying notes

## NOTES TO FINANCIAL STATEMENTS

### Note A – NATURE AND ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

Kene Me-Wu Family Healing Center facilitates Native American families and communities in Amador, Calaveras, Mariposa and Tuolumne counties in becoming physically, mentally, socially, culturally and economically healthy. This is accomplished by reducing the incidence of domestic violence and sexual assault through prevention services and education, reducing the injury and death related to domestic violence through comprehensive intervention services, reducing the incidence of child abuse and neglect by providing and/or coordinating child abuse prevention and intervention services, preserving native American heritage and the unity of the Native American Family through intervention, prevention and coordination of services with existing agencies, enhancing the quality of life by providing education and training services which lead to economic self sufficiency and enhancing the quality of life by providing educational/informational activities in Me-Wuk culture.

#### Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### Contributed Services

During the year ended December 31, 2008, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000.00. Lesser amounts are expensed. Purchased property is capitalized at cost. Property and equipment are depreciated using the straight-line method.

#### Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501© (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

NOTE B – GRANTS RECEIVABLE

The Grants Receivable consists of the following:

|                                   |             |
|-----------------------------------|-------------|
| OES Grant #AI07101570 10/07-11/08 | \$15,850.00 |
| OES Grant #AI08111570 10/08-09/09 | 11,422.00   |

27,272

NOTE C – LINE OF CREDIT

The Organization has a line of credit at Westamerica Bank that bears interest at the rate of 9.50% per annum with a maturity of June 30, 2009. At December 31, 2008 the balance on the Line of Credit was 0.00.



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

To the Board of Directors of  
Kene Me-Wu Family Healing Center

I have audited the financial statements of Kene Me-Wu Family Healing Center (a nonprofit organization) as of and for the year ended December 31, 2008, and have issued my report thereon dated May 12, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Kene Me-Wu Family Healing Center's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing my audit I considered Kene Me-Wu Family Healing Center's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal

control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read "David L. Butler". The signature is fluid and cursive, with the first name "David" being more prominent.

Jamestown, California

May 12, 2009